

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

BORDERS GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 11-10614 (MG)

(Jointly Administered)

NOTICE OF REJECTION OF UNEXPIRED LEASES

PLEASE TAKE NOTICE that on March 16, 2011, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered an order (the “Procedures Order”) in the above-referenced chapter 11 cases of Borders Group, Inc. and its debtor subsidiaries (collectively, the “Debtors”), among other things, approving expedited procedures (the “Rejection Procedures”) for the rejection of unexpired leases (each a “Lease” and collectively, the “Leases”).

PLEASE TAKE FURTHER NOTICE that pursuant to the terms of the Procedures Order, the Debtors hereby provide notice of their intent to reject the below-referenced Leases. Pursuant to the terms of the Procedures Order, unless a written objection is filed and served in accordance with the terms of the Procedures Order, the following Leases will be rejected pursuant to 11 U.S.C. § 365(a), effective as of the date set forth below for each Lease, or, if no date is specified, as of the later of (a) the date the Debtors file and serve this Notice, unless otherwise agreed, in writing, by the Debtors and the counterparty to the applicable Lease, (b) the date the Debtors relinquish control of the premises by notifying the affected landlord in writing of the Debtors’ surrender of the premises and turning over of keys, key codes and security codes to the affected landlord, or (c) the Collection Deadline² (the “Rejection Date”):

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Borders Group, Inc. (4588); Borders International Services, Inc. (5075); Borders, Inc. (4285); Borders Direct, LLC (0084); Borders Properties, Inc. (7978); Borders Online, Inc. (8425); Borders Online, LLC (8996); and BGP (UK) Limited.

² The Collection Deadline applies if the Debtors propose to abandon personal property that is (i) subject to a true lease, and (ii) located at a premise that is the subject of this Notice. This Notice shall indicate same and the automatic stay shall be deemed modified to permit the respective personal property lessor to retrieve such abandoned property within seven (7) days of the date this Notice is filed.

NON-RESIDENTIAL REAL PROPERTY LEASES

Address of Subject Property	Landlord Name/ Address	Remaining Lease Term	Effective Date of Rejection
Westbrooke Village 7311 Quivera Road Shawnee, KS 66216	Henry S. Miller Multi-Management, Inc. 5001 Spring Valley Rd. Suite 1100 West Attn: Lauri Vise Dallas, TX 75244	Lease expires on: 1/31/2012	8/31/2011
Central Mall 2259 South 9 th Street Salina, KS 67402	Coyote Garrison Salina LLC c/o Coyote Management, LP 16475 Dallas Parkway Suite 250 Addison, TX 75001	Lease expires on: 1/31/2012	8/31/2011

PROPERTY TO BE ABANDONED

Description of Property to be Abandoned	Subject to Personal Property Lease
The Debtors have delivered possession of the premises listed above to the respective lease assignees and as such have no property at the space and no possessory rights.	No

PLEASE TAKE FURTHER NOTICE that objections, if any, to this Notice must be filed and served so that such objection is filed with the Bankruptcy Court and actually received by the following parties no later than ten (10) days after the date of this Notice: (i) the attorneys for the Debtors, Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York, NY 10019 (Attn: Jeffrey R. Gleit, Esq. and Alan Lungen, Esq.); (ii) the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Paul Schwartzberg, Esq.); (iii) Lowenstein Sandler PC, counsel for the official committee of unsecured creditors, 65 Livingston Avenue, Roseland, New Jersey 07068 (Attn: Bruce D. Buechler, Esq. and Paul Kizel, Esq.), and 1251 Avenue of the Americas, New York, New York 10020 (Attn: Bruce S. Nathan, Esq.); (iv) counsel for the DIP Agents: (a) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178-0060 (Attn: Wendy Walker, Esq.), and 225 Franklin Street, 16th Floor, Boston, Massachusetts 02110-4104 (Attn: Sandra Vrejan, Esq.), counsel for the Working Capital Agent, and (b) Choate Hall & Stewart LLP, Two International Place, Boston, Massachusetts 02110 (Attn: Kevin Simard, Esq.), counsel for GA Capital LLC; and (v) Kelley Drye & Warren LLP, attorneys for certain landlords, 101 Park Avenue, New York, New York 10178 (Attn: James S. Carr, Esq., Robert L. LeHane, Esq., and Benjamin D. Feder, Esq.) (collectively, the “Objection Notice Parties”).

PLEASE TAKE FURTHER NOTICE that if an objection to this Notice is timely filed and served, the Debtors shall seek a hearing on such objection and shall provide at least five (5) days’ notice of such hearing to the objecting party and the Objection Notice Parties. If such objection is overruled by the Court or withdrawn, the rejection of the Lease shall be deemed effective (a) as of the Rejection Date, or (b) as otherwise determined by the Court as set forth in any order overruling such objection.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Procedures Order, if the Debtors have deposited monies with the Lease counterparty as a security deposit or otherwise, the Lease counterparty may not setoff or otherwise use such deposit without the prior authorization of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that pursuant to the terms of the Procedures Order, for any claim that you may assert against the Debtors as a result of the rejection of any Lease, you must submit a proof of claim for damages arising from such rejection, on or before the later of (i) the deadline for filing proofs of claim established by the Court in the Debtors’ cases, or (ii) forty-five (45) days after the Rejection Date. If you do not timely file such proof of claim, you shall be forever barred from asserting a claim for rejection damages arising from the rejection of the above-referenced Lease or from participating in any distributions that may be made in connection with these chapter 11 cases.

Dated: August 31, 2011
New York, New York

KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP

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